



# PUBLIC NOTICE

Federal Communications Commission  
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Washington, D.C. 20554

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DA 20-149  
February 11, 2020

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL  
OF VANCO US, LLC, DEBTOR-IN-POSSESSION, VANCO SOLUTIONS, INC.  
AND RELIANCE GLOBALCOM SERVICES, INC.**

**NON-STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 20-38**

**Comments Due: February 25, 2020**  
**Reply Comments Due: March 3, 2020**

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by GCX Limited, Debtor in-Possession (GCX Limited DIP), Vanco US, LLC, Debtor-in-Possession (Vanco US DIP), Vanco Solutions, Inc. (Vanco Solutions), and Reliance Globalcom Services, Inc. (RGSi, together with Vanco Solutions and Vanco US DIP, the Licensees),<sup>1</sup> pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules, requesting consent to: (a) transfer the domestic section 214 authority held by Vanco US DIP to a reorganized Vanco US, LLC (Reorganized Vanco US); and (b) transfer control of RGSi and Vanco Solutions from GCX Limited DIP to a to-be-formed Bermuda entity, GCX Limited (Reorganized) (Reorganized GCX Limited).<sup>2</sup>

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<sup>1</sup> On September 15, 2019, Vanco US DIP, a Delaware entity, along with its parent company, VNO Direct Limited, a United Kingdom entity, its indirect parent company, GCX Limited DIP, a Bermuda entity (also indirect parent to both Vanco Solutions and RGSi), and certain other affiliates, filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. The Bankruptcy Court has confirmed the bankruptcy plan, dated December 2, 2019. *Findings of Fact, Conclusions of Law, and Order (I) Approving Debtors' (A) Disclosure Statement, (B) Solicitation of Votes and Voting Procedures, and (C) Forms of Ballots and (II) Confirming Joint Prepackaged Chapter 11 Plan of GCX Limited and Its Debtor Affiliates*, Case 19-112031-CSS (Doc 203) (Bankr. D. Del). RGSi and Vanco Solutions are not debtors in any Chapter 11 proceedings.

<sup>2</sup> See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Authorized Carrier Subsidiaries of GCX Limited, Debtor-in-Possession; Application for Consent to Assign International and Domestic Section 214 Authority and to Transfer Control of Section 214 Authority Holders, WC Docket No. 20-38 (filed Jan. 27, 2020) (Application). Applicants also filed an application for the transfer of control of international services. On February 10, 2020, Applicants filed a supplement to their domestic section 214 application. Letter from Colleen Sechrest, Counsel to GCX Limited, Debtor-in-Possession, to Marlene H. Dortch, Secretary, FCC (filed Feb. 10, 2020) (on file in WC Docket No. 20-38) (*February 10 Letter*). Any action on this domestic section 214 application

GCX Limited DIP, a Bermuda entity, is the indirect parent of the Licensees and, through Vanco US DIP, a Delaware limited liability company, it currently provides competitive telecommunications services in multiple states. Vanco Solutions and RGSI, both Delaware corporations, do not currently serve customers, but Applicants state that upon emergence from bankruptcy, these entities may provide services similar to Vanco US DIP.

Reorganized Vanco US, a Delaware limited liability company, will be indirectly wholly owned by Reorganized GCX Limited, a Bermuda holding company. Reorganized GCX Limited, in turn, will be owned by GCX Limited DIP's senior secured noteholders (New Equity Holders)<sup>3</sup> based on ownership of senior secured notes, none of which will hold a controlling interest in Reorganized GCX Limited or collectively exercise control through any other arrangement.<sup>4</sup> The following members of the New Equity Holders, both Delaware entities, will indirectly hold a 10% or greater voting interest in Reorganized GCX Limited: Varde Partners, Inc. (Varde) (28.82%)<sup>5</sup> and Bardin Hill Investment Partners LP (Barden Hill) (14.28%).<sup>6</sup>

Pursuant to the terms of the proposed transaction, Reorganized GCX Limited will operate pursuant to new organizational documents (as a newly formed Bermuda entity) and will issue new equity interests (New Equity Interests), to be held by the New Equity Holders. Applicants state that the New Equity Interests will first be distributed to GCX OpCo, which will exchange such New Equity Interests for the assets of GCX Limited DIP (including the equity interests in GCX Limited DIP's subsidiaries). GCX Limited DIP will then issue the New Equity Interests to the New Equity Holders. Applicants further state that, through the same process, Reorganized GCX Limited will be re-capitalized, and the New Equity Holders will enter into a Stockholders' Agreement governing the Reorganized GCX Limited and its subsidiaries.

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is without prejudice to Commission action on other related, pending applications.

<sup>3</sup> Upon emergence from bankruptcy, Applicants state that the New Equity Holders will hold all of the voting and economic interests in Reorganized GCX Limited which, in turn, will directly wholly own another to-be formed Bermuda holding company (GCX OpCo), which will indirectly hold all of voting and economic interest in the Licensees. Application at 2. Applicants provide pre- and post-transaction ownership structures in the Application. *Id.* at 13-14 and Exh. B.

<sup>4</sup> Applicants state that, among other key provisions of a to-be executed Stockholder's Agreement that will govern the rights and interests in Reorganized GCX Limited, the Board of Directors of Reorganized GCX Limited will consist of five directors, elected annually, and that each New Equity Holder holding at least 25% of the issued and outstanding New Equity Interests shall be entitled to appoint one director for each 25% interest held. Application at 7-8.

<sup>5</sup> Applicants state that Varde is the general partner that will hold all the voting control of multiple investments funds (each of which are either a Delaware or Cayman Island entity) (collectively, the Varde Partners, Inc. Investment Funds), which directly hold 28.82% of Reorganized GCX Limited. Varde, in turn, is held by Greg Macmillan, George C. Hicks, and Marcia L. Page, each a U.S. citizen holding 33.3%. Application at 14-15 and Exh. C.

<sup>6</sup> Applicants state that Bardin Hill Partners is the general partner and/or investment manager of multiple investment funds (each of which is a Delaware, Cayman Island, or Canadian entity) (collectively, the Bardin Hill Investment Funds), which directly hold 14.28% of Reorganized GCX Limited. Application at 16-18 and Exh. D. Jason Dillow, Kevah Konner, Pratik Desai, and John Greene, each a U.S. citizen, hold the voting control over the shares indirectly held by Barden Hill Partners in Reorganized GCX Limited. *Id.* at 17.

Applicants assert that the proposed transaction would serve the public interest, convenience, and necessity.<sup>7</sup> Because the transaction is more complex than usual, and in order to analyze whether the proposed transaction would serve the public interest, we accept the Application for non-streamlined processing.<sup>8</sup>

Domestic Section 214 Application Filed for the Transfer of Control of Vanco US, LLC, Debtor-in-Possession, Vanco Solutions, Inc., and Reliance Globalcom Services, Inc., WC Docket No. 20-38 (filed Jan. 27, 2020).

## **GENERAL INFORMATION**

The application identified herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file comments and petitions **on or before February 25, 2020**, and reply comments or oppositions to petitions **on or before March 3, 2020**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- **Electronic Filers:** Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.
- **Paper Filers:** Parties who choose to file by paper must file an original and one copy of each filing. Paper filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail.
  - All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12<sup>th</sup> St., SW, Room TW-A325, Washington, DC, 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. All envelopes and boxes must be disposed of before entering the building.
  - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD, 20701.
  - U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12<sup>th</sup> Street, SW, Washington DC, 20554

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**In addition, e-mail one copy of each pleading to each of the following:**

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<sup>7</sup> Applicants state that Reorganized GCX Limited's new owners do not control, and are not affiliated with, any domestic telecommunications providers in the United States. Application at 10; *February 10 Letter* at 2.

<sup>8</sup> 47 CFR § 63.03(c)(1)(v).

- 1) Myrva Charles, Competition Policy Division, Wireline Competition Bureau, [myrva.charles@fcc.gov](mailto:myrva.charles@fcc.gov);
- 2) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, [gregory.kwan@fcc.gov](mailto:gregory.kwan@fcc.gov);
- 3) Sumita Mukhoty, Policy Division, International Bureau, [sumita.mukhoty@fcc.gov](mailto:sumita.mukhoty@fcc.gov);
- 4) David Krech, Policy Division, International Bureau, [david.krech@fcc.gov](mailto:david.krech@fcc.gov); and
- 5) Jim Bird, Office of General Counsel, [jim.bird@fcc.gov](mailto:jim.bird@fcc.gov).

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The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.<sup>9</sup> A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Myrva Charles at (202) 418-1506 or Gregory Kwan at (202) 418-1191.

**FCC**

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<sup>9</sup> See 47 CFR § 1.45(c).